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U.S. CUSTOMS SERVICE AND FOOD & DRUG ADMINISTRATION UNCOVER DUMPING SCHEME INVOLVING CONTAMINATED HONEY IMPORTS FROM CHINA

WASHINGTON, D.C. -- The U.S. Customs Service (Customs) and the Food and Drug Administration (FDA) today announced that they have discovered bulk imports of Chinese honey that were contaminated with low levels of chloramphenicol (CAP),a potentially harmful antibiotic and unapproved food additive. The contaminated honey was detected during an investigation into a widespread scheme to evade payment of U.S. anti-dumping duties on bulk imports of Chinese honey.

To date, the investigation has resulted in the detention of more than 50 containers of bulk Chinese honey at U.S. ports. In an effort to evade U.S. anti-dumping duties, this honey had allegedly been illegally transshipped through third-party countries on its way from China to America.

Some of the bulk honey in these containers has tested positive for chloramphenicol, an antibiotic used, in most cases, only to treat life-threatening infections in humans when other alternatives are not available. Use of chloramphenicol is limited because this antibiotic is associated with a very rare, but potentially life-threatening side effect – idiosyncratic aplastic anemia. For the very small number of people susceptible to this side effect, exposure to chloramphenicol could be serious. A "safe" limit of chloramphenicol for such people has not been established. Nevertheless, the probability of this reaction occurring in the general population from food exposure is thought to be very low.

To protect the public from unnecessary exposure to potentially Harmful substances, food and animal feed products containing chloramphenicol are illegal in the United States. Currently, Customs is stopping all suspect bulk honey imports to this country for the FDA to determine whether they contain chloramphenicol. Any shipments containing chloramphenicol will be detained. The FDA is unaware at present of contaminated honey being on retail shelves, but is continuing its investigation into this matter. Thus far, no illnesses have been reported in association with the imported honey.

As part of the investigation, Customs and FDA agents during the past week have executed search warrants on businesses and residences in Los Angeles, Newark, Tampa, and other locations. Australian Customs, Royal Malaysian Customs, and Royal Thai Customs have also executed warrants in Australia, Malaysia, and Thailand. Additional enforcement activity is anticipated in the investigation.

"This investigation should serve notice that U.S. Customs will not tolerate unfair trading practices, especially those that pose potential health risks to the American public," said U.S. Customs Commissioner Robert C. Bonner. "This case is an excellent example of cooperation between U.S. Customs, the FDA, as well as authorities in Australia, Thailand, and Malaysia."

"We will continue to work with our federal and international partners to ensure that products that cross our borders meet our high standards

for food safety," said FDA Deputy Commissioner Dr. Lester M. Crawford. "The FDA will take whatever action is necessary to protect the public health from these kinds of activities."

The probe into this scheme began primarily as a dumping investigation. Dumping of a product occurs when merchandise manufactured outside of the United States is sold in the United States at a price that is below the cost of production, or below the price sold in the foreign home market. Foreign manufacturers and or/importers may dump products on the U.S. market in order to gain market share because of political or social concerns or to maximize profits/minimize losses in production.

In Sept. 2000, several U.S. honey producers filed an unfair trade case Alleging dumping of honey imports from China. In May 2001, the U.S. Commerce Department issued a notice of preliminary determination which required U.S. Customs to collect anti-dumping duties on imports of natural bees honey from certain Chinese companies. The duty rates increased between 34 and 184 percent.

The U.S. Customs Attaché in Bangkok, Thailand, subsequently received information that certain honey exports from China were allegedly being illegally transshipped through Thailand en route to the United States. The purpose of the alleged transshipment scheme was to circumvent payment of anti-dumping duties on Chinese honey imports to the United States.

In June 2002, U.S. Customs Attachés in Bangkok and Singapore launched an investigation and began working with their law enforcement counterparts in Australia, Malaysia, and Thailand. Officials from the Royal Thai Customs, Royal Malaysian Customs, and Australian Customs provided substantial assistance. Several domestic U.S. Customs offices joined the investigation, including those in Los Angeles, Newark, Tampa, Houston, Detroit, and Seattle.

Soon, Customs agents found that U.S.-bound Chinese bulk honey was Allegedly being transshipped through Australia, Mexico, Malaysia, Thailand, Vietnam, and other nations to evade U.S. anti-dumping duties. During the investigation, Customs officers in Los Angeles drew samples of bulk Chinese honey from several detained containers that had arrived at the local port. A laboratory analysis found that the honey samples contained chloramphenicol. Customs notified the FDA, which immediately joined the investigation given the health issues associated with chloramphenicol. Analysis by FDA laboratories confirmed the presence of chloramphenicol in the imported Chinese honey.

Since the discovery of chloramphenicol in the Chinese honey imports, Customs has been stopping all suspect bulk imports of honey for the FDA to test for the presence of chloramphenicol. The FDA has developed a method to confirm chloramphenicol levels in honey at one part per billion.

The FDA and Customs are continuing to coordinate their enforcement strategies and will be detaining or seizing any honey imports that contain chloramphenicol to ensure that they are not released for human or animal consumption in the United States.

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